

[Why Socialism?](#)

[Corbyn, the BBC and Economic Crises](#)

[The Capitalist System in Crisis](#)

[India – Independence and Partition](#)

[Lewisham, Charlottesville and](#)

[Democracy](#)

[Capital at 150 and its Relevance to the 21st century](#)

[The Origin of Capitalism in England](#)

[Capitalism at a Crossroads](#)

[Marx and Labour Vouchers](#)

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Why Socialism?

“Confusion is undoubtedly the strongest weapon in the capitalist armoury. The fraudulent Labour Party, without a single measure on their programme that can benefit or interest the working class, lends itself to Tory and Liberal politicians as a socialist chopping block”. So said the SOCIALIST STANDARD in July 1913 and to this day the smokescreen of gibberish constantly perpetrated by the capitalist parties, obscures the class nature of society and the antagonisms that therefore exist. Every proposition is debated *ad nauseam* except the most important one: the necessity for a new society (socialism) – now!

The interest of the working class lies in the immediate establishment of Socialism, and this is the one and only object of the SPGB. We are not to be fobbed off by the *“Immediate Demands”* or *“Something Now”* Brigades. We have seen them march in confusion backwards and forwards across the social reform parade ground only to remain where they were.

The *“realists”* have had their chance to find solutions to social problems and have failed miserably. Now it is the time, not to be disillusioned, but for members of the working class to study our case and realise its validity. Capitalism is the predominant form of society in all countries throughout the world. In this country it is estimated that 50 per cent of the wealth is owned by about 10 per cent of the population – the capitalist class (1). They also own the means for producing and reproducing wealth.

Those who own nothing of the means of production, the working class, must sell their labour-power, skilled or unskilled, to the employer for a wage or salary. The working class forms the majority of society and is composed of all wage-earners, not just industrial workers but also those who would like to think of themselves as *“middle class”*.e’g’ doctors, self-employed, teachers, managers, journalists and so on.

It is through the labour of the working class *alone* that all the wealth of society is produced and yet this is legally appropriated by the capitalists who produce nothing and are socially a useless class. As Engels so clearly put it:

“The capitalist has no further social function than that of pocketing dividends, tearing off coupons and gambling on the stock exchange (SOCIALISM: UTOPIAN AND SCIENTIFIC).

Apologists for capitalism often urge how necessary (and no doubt kind-hearted) the capitalist class is to society by providing, at great pains to themselves, the capital for investment in new factories, works etc., and thus providing work for the workers. If the capitalist class think of themselves as doing society a good turn it does not concern us, although we rather suspect that their motives are not sublime. What we can be sure of is that capitalism inevitably creates unemployment and that an individual capitalism will invest not to provide work for others but only for profit or good *“return”* on his capital.

Capital constantly needs to expand and stretch its grasping tentacles into every conceivable avenue, and of course engulf capitals smaller than itself. The real needs of human beings are not taken into account where production of wealth is only carried on with the motive of producing more and more capital. As long as the profit motive is the driving force behind production the needs of people cannot be met.

Since the way in which wealth is produced and distributed in a given society will be the basic factor in determining the character of that society, it is not surprising that the anarchy of capitalist production and distribution gives rise to myriad social problems: housing, poverty, unemployment, etc. Such problems are indivisible from capitalism and insoluble under it.

Historically capitalism has been a useful form of society in that it has enabled the means of production to be developed on a vast and world-wide social scale. Commodities are exchanged on a world-wide basis; e.g. many British workers have New Zealand lamb for their Sunday lunch, those who can afford it, that is. There is however no world-wide social control over production and distribution, only an anarchy of competing capitals chasing the surplus-value produced solely by the working class.

The only alternative to capitalism is the establishment of socialism where society as a whole will own and control in common the wealth and the means of transporting it. *Common Ownership* means that individual members of society will have free access to what they want and require without regard to any form of exchange system.

As socialism can only be brought into being by the political act of the majority of people wanting and working for it, we assume that the majority of people would want to co-operate with each other in running and maintaining a socialist society.

Democratic Control means that the decisions affecting society would be taken by the majority and based upon the best available information. Society will make decisions in *its own best interests*. That is not the case today. We do not claim that socialism will be trouble-free but compared with the madhouse of capitalism it will be a sane society indeed. Socialism will be the beginning of civilized history before which all societies will be classified as barbaric.

SOCIALISTS ARE NOT UTOPIAN

Socialists are often accused of being utopians. In one respect this is true: socialism does not exist anywhere in the world. What does exist is a world-wide capitalist system in which all the productive work is carried out by the working class using the means of production and distribution owned by a minority capitalist class. Work is carried out by co-operative and social labour although what is produced as commodities is sold on the market for a profit.

Nevertheless, capitalism has created the basis for socialism. The means of production and distribution have the potential to create sufficient housing, education, health care and so on for everyone. Capitalism is the barrier that prevents production and distribution from being used solely for use and for co-operative and social labour to be freed to produce directly to meet human needs.

Capitalism has to be understood before someone can be a socialist. Workers must come to understand how they are exploited by the capitalist class and why capitalism can never be made to work in their class interest. They must also understand that to abolish capitalism and establish socialism – the common ownership and democratic control of the means of production and distribution by all of society – requires a socialist majority capturing the machinery of government. Just to dangle to the workers a vision of socialism will not do: that is utopianism. The process of the socialist revolution is both awareness and rejection of capitalism and a belonging to a political movement within a socialist party with a socialist objective. A socialist majority has to capture political power and use the machinery of government as “the agent of emancipation” allowing production for profit to be replaced by production solely for social use.

Corbyn, the BBC and Economic Crises

Is the BBC politically biased? It is an old political parlour game played by the major political parties and their supporters. The Tories say that the BBC is biased against their party while the Labour Party claims the BBC is biased against their organisation.

The BBC replies to the accusation from both parties that they are impartial, objective and aim to give a balanced view of politics in the UK today. The BBC's holds the arrogant position that their programmes are about dispassionate political analysis and holding politicians to account rather than partisan advocacy.

The bias at the BBC is real but not in the way the Conservative and Labour parties understand or are interested in. For socialists, the political bias at the BBC begins with an institution that actively supports capitalism and never questions the private ownership of the means of production and distribution by the capitalist class to the exclusion of the majority of society.

Nor does the BBC accept a Marxian explanation for the workings of the economy and the conflicts and contradictions arising from commodity production and exchange for profit. This bias in favour of the profit system percolates down through to the programme makers and the political ethos of current affairs and the dissemination of the "news" that is often highly fragmented and incoherent. Political contributions are drawn from a very narrow base; the same old faces and the same pro-capitalist opinions dominate political discussion. Capitalism *per se* is never questioned and no alternative socialist social system is ever entertained.

As a result, the BBC is unashamedly pro-business, anti-trade union and anti-socialist. And the BBC has form. During the General Strike of 1926, Lord Reith and the BBC refused air-time to the trade unions to state their case against the employers and their government. The BBC glorifies competition, programmes that show "entrepreneurs" in a good light and never produces serious political programmes that questions capitalism and the social problems it causes.

When the global economic crisis took place in 2008, the majority of people who were asked by the BBC to give their views were either academic economists, members of free-market think-tanks, hedge fund managers, City analysts or economic journalists from the main-stream media. Mike Berry, the Cardiff University academic, recently wrote in THE CONVERSATION:

In both 2007 and 2012, across all programming, business representatives received substantially more airtime on BBC network news (7.5% and 11.1% of source appearances) than they did on either ITV (5.9% and 3.8%) or Channel 4 News (2.4% and 2.2%). When we compare the representation of business with that of organised labour, the findings are even more striking. <http://theconversation.com/hard-evidence-how-biased-is-the-bbc-17028>

That a sound and valid Marxian economic explanation of the cause of the crisis of 2017-2018 was also available to the BBC political editors to balance the pro-capitalist explanations of the free-marketeers, monetarists and Keynesians was also never considered. According to the BBC, Marx simply did not have anything relevant to say on the matter. Marx's CAPITAL, was either a closed book or the BBC were too fearful of the political repercussions to give his ideas an airing to the general public who must, at all costs, be kept away from anything dangerously radical and revolutionary.

The economic status quo at the BBC is never questioned. The BBC is just part and parcel of the capitalist establishment. No more so than BBC Worldwide, with its unashamedly bullish promotion of "entrepreneurs" and global free trade and free market capitalism. World capitalism is never called into question but actively celebrated. BBC Enterprises is no different from any other corporate business making millions of pounds a year in profits. BBC Worldwide Ltd made a headline profit of £157m during 2015/16. As a consequence, socialism – the common ownership and democratic control of the means of production and distribution by all of society - is never considered in the BBC's programming and socialists are not invited onto its political programmes to give a balanced view to the stream of propaganda from defenders of the profit system.

That said it was interesting to read a letter published in the GUARDIAN (30th September 2017) from a Dr Robert Smith. Dr Smith pointed out that when Nick Robinson was political editor of the BBC; he interviewed David Cameron shortly after he had become Prime minister. In the interview, Cameron blamed the previous Labour Government, under Gordon “*no more boom and bust*” Brown for the economic crisis of 2007-2008. Robinson apparently just nodded his head without making any critical and searching question about Cameron’s fatuous assertion.

Some years later, according to Dr Smith, when Corbyn appeared on the Andrew Marr Show, Marr repeated Cameron’s claim that the economic crisis was the fault of the Brown Labour Government. Corbyn said Marr was wrong in claiming that the economic crisis was the fault of the previous Labour Government because the economic crisis was global in its impact and extent. Corbyn went on to blame, as the cause of the economic crises, the irresponsible behaviour of financial speculators. Marr nonchalantly replied that it did not matter who or what caused the crisis; an odd position to take for someone purporting to be an investigative journalist and serious historian.

Well Cameron was wrong: the Labour government did not cause the economic crisis of February 2007 through to February-March 2008. And Robinson and Marr were both wrong in believing that governments cause crises. They do not. Capitalism is subject to economic laws and goes through a periodic trade cycle which includes a destructive economic crisis and trade depression. As Marx noted:

“From time to time the conflict of antagonistic agencies finds vent in crises. The crises are always but momentary and forcible solutions of the existing contradictions. They are violent eruptions which for a time restore the disturbed equilibrium” (CAPITAL Vol. III, Ch. XV, p. 249).

However, Corbyn was also wrong in believing financial speculators caused the economic crisis. Financial speculators do not cause economic crises any more than bankers and greedy capitalists do. Nor are economic crises the result of accidents in production quotas, as some naïve people think. Instead, they are caused by the economic laws of capitalism.

As an example of why governments are powerless in the movement of capitalism through the trade cycle we only have to consider the following example. Every Labour government has left office with unemployment higher than it was when they first came into power. Yet it is a mistake to blame the Labour Government for unemployment being higher when it left office than when they first came into power, any more than it is to blame the Tory Thatcher government for the economic crises in the 1980s and John Major’s government for the economic crisis in the early 1990s. Governments do not cause economic crises, nor can they prevent them from occurring.

Governments are also powerless to hurry on the destructive course of the crisis and subsequent trade depression. They do not have it in their power to reduce high levels of unemployment and make capitalists invest in profitable commodity production. The up-turn in the trade cycle only occurs when capitalist feel confident to invest and make a profit again.

In fact Corbyn’s belief that the last economic crises was all the fault of financial speculators shows someone knowing nothing of the writings of Marx on the subject even though he is relentlessly attacked in the DAILY MAIL for being “*a 1970s Marxist*”. Corbyn is no socialist and he certainly is no student of Marx.

It was Marx who explained the cause of crises. Marx first described the economic crisis in the movement of the trade cycle. He said of capitalist production:

“...capitalist production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation (WAGES, PRICE AND PROFIT in SELECTED WORKS, p. 440).

Marx then traced the cause of the crisis in the anarchy of capitalism production with the split between buying and selling, periodic disproportion of production and unsold commodities in various sectors of the economy and the role of the falling rate of profit in triggering and ending a crisis along with countervailing forces. And, later in the third volume of CAPITAL, Marx stated that:

“The true barrier of capitalist production is capital itself”. CAPITAL VOL. iii, Ch. XV ,p.358)

While the “*ultimate reason*” for all “*real crises*” always remained:

“ ...the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society consulted their limit” (p. 484).

Marx is here not advocating an underconsumptionist theory of crisis like some mistakenly believe him to be doing with his remark about the “*restricted consumption of the masses*”. Poverty under capitalism is constant while the working class do not own the means of production and distribution in common. In any case, as Marx showed in the second volume of capital, just before an economic crisis, the wages of the workers are rising. What Marx meant by this remark is that the productive forces, including social and co-operative labour, in trying to extend beyond the narrow limits imposed by capitalist relations of production can only be reigned back by an economic crisis, trade depression, bankruptcy and mass unemployment.

To end the “*poverty and the restricted consumption of the masses*” requires the abolition of capitalism not the enactment of economic policies like Keynesianism or the reform programmers found in the Labour Party’s 2017 Manifesto.

Of course Marx's ideas will never get an airing on the BBC except through the second-hand “*authority*” of an academic or journalist who has to show “*balance*” by misrepresenting what Marx said or drawing the viewer’s attention away from Marx’s theories of exploitation and economic crises. It is noticeable that the BBC ignored the 150th anniversary of the publication of the first volume of CAPITAL and its relevance for the 21st century. The BBC is supposed by its charter to inform! So much for the BBC’s arrogant boasting of being impartial and objective in its political programming. The real bias of the BBC is towards maintaining political ignorance not political enlightenment.

[Back to top](#)

The Capitalist System in Crisis

Is Capitalism in Political Crisis?

Capitalism is in political crisis. It is not socialists who are saying this but a long line of political and economic commentators. The background to this loss of nerve was the economic and financial crisis of 2007-2008 which undermined economics and its mistaken claim to understand the profit system.

In 2012 The FINANCIAL TIMES launched its “*Capitalism in Crises*” series and this pessimism has just carried on with economists like William Hutton (*British Capitalism is Broken*) and Robert. B. Reich (*Saving Capitalism*) writing articles and books on how to save capitalism through the enactment of this or that reform while warning that political consequences in doing nothing will be dire.

There is as slow but discernible disenchantment with the market to deliver prosperity for everyone. The economic crisis of 2007-2008 has led to austerity programmes being imposed on millions of workers, there have been a move towards very insecure part-time employment and the uncertainty of the so- called “*gig-economy*”, a difficulty by workers to combine in trade unions to improve pay and deteriorating working conditions.

And it has also been said by some economists that children today will be worse off than their parents (*Each Generation Will be better off? Think Again*, GUARDIAN, 14th February 2016). The promise of capitalism to work in the interest of all society has proven to be an illusion.

Instead of believing that there is no alternative to capitalism some workers are now trying to find an alternative. And

in all this questioning and discontent Marx is now being read again outside socialist circles. With economic liberalism just as discredited as Keynesianism and Monetarism the search for alternatives is now high on the agenda. And one alternative that has never been tried is socialism; the common ownership and democratic control of the means of production and distribution by all of society.

Trying to defend capitalism

So it is understandable that there is an attempt to salvage the reputation of capitalism and present it in a good light. A typical example is the article “*The Left is deluded to think that the capitalist system is in crisis*” (DAILY TELEGRAPH 17th August, 2017) written by the Tory MP, Kwasi Kwarteng.

Kwasi Kwarteng is a market fundamentalist with his head buried deep in the works of the Austrian economists, F.A. Hayek and Ludwig von Mises. He is also joint author with a group of Tories who told workers in Britain that they were lazy and unproductive. The book, BRITANNIA UNCHAINED - GLOBAL GROWTH AND PROSPERITY, said that workers in Britain were among “*the worst idlers*” in the world preferring a “*lie-in to hard work*”, and that there should be labour market reforms to force workers to become more productive.

Nothing was said in the book about the real idlers to be found in capitalism; the capitalist class. Capitalist own the means of production and distribution but do not work. Instead they live off the unearned income of rent, interest and profit. These idlers are passed over in silence by Mr Kwarteng.

Capitalism in Vietnam

To begin his defence of capitalism, Kwarteng points to Vietnam as a country with a high growth rate and a vibrant economy. He was told this by one of his constituents who had been out there on holiday and had been impressed by the number of shops and stalls selling commodities to foreign visitors.

The reality is a vastly different and is kept well away from the tourists. Vietnam is a state capitalist dictatorship. There are no free trade unions, nor are any socialists living there permitted to form a socialist party and disseminate socialist ideas. Kwarteng might think that is a good thing, but he does not say.

What of the working class in Vietnam? Vietnam is a country where there are millions of low-wage factory workers. According to the NATION:

“Poorly regulated Asian factories are rife with fire hazards, shaky buildings, and other workplace dangers ... Nike employ some 333,000 Vietnamese workers, many of them migrants who reflect the country’s yawning rural-urban wealth divide, paying them roughly \$132 per month”.

And the report went on to say:

“According to a Workers Rights Consortium (WRC) all-day work shifts, forced labor and child labor are common in factories, which often supply major Western brands. Workers are beset by wage theft and gender and pregnancy discrimination. If they protest working conditions or organize independently of the state-controlled official union, they risk “firing, blacklisting, physical violence and imprisonment” (July 1st 2015).

Workers in Vietnam, even under repressive conditions, still struggle for higher wages and better working conditions particularly when there is such deterioration in living standards that workers have to conserve energy due to inadequate food and malnutrition. And what are “*foreign investors*” doing? They are pressurising the Vietnamese government to break the strikes (*Strike Wave in Vietnam 2006-2011*, Volume 45, 2015- Issue 1).

There might be a high rate of economic growth, investment from abroad and a “*vibrant economy*” in Vietnam but at what cost to the working class?

Capitalism in China

According to Kwarteng, “*China has abandoned Marxism*”. This assertion is ridiculous as China’s political system during this period was in no way Marxist. However, China’s historical development from the revolution in 1948 to today can be explained in Marxian terms.

China, under Mao, went through a phase of primitive capitalism with the state largely controlling industry and agriculture, what socialists would call “*state capitalism*”. However this primitive capitalism could be developed by the state only so far and following Deng Xiaoping’s economic reforms in the 1980s, a more market orientated economy began to take shape, particularly the move of the peasantry into the cities to provide a vast pool of cheap and exploitable labour.

Another series of economic reforms took place in the 1990’s with the Chinese economy becoming fully integrated into the institutions of the world economy. This historical process from a primitive to an advanced had nothing to do with the abandonment of “*Marxism*”, as Kwarteng misleadingly believes. In fact, it has everything to do with a country moving from feudalism to capitalism and then catching up with the more advanced capitalist countries on the world market.

It would be useful if workers did read Marx. They would soon realise that they were exploited just as ruthlessly as workers elsewhere in the world while the Chinese state is nothing more than a capitalist state of repression. In China, as with every other capitalist country in the world; the potential for the working class to establish socialism is still there.

Capitalism and Poverty

In his attempt to put capitalism in a good light, Kwarteng writes:

“Capitalism has taken 1 billion people out of poverty; between 1990 and 2010, the number of people in extreme poverty fell by half as a share of the total population in developing countries from 43 to 21 per cent – a reduction of almost one billion people”.

It is all smoke and mirrors. In an article in HUMAN SPHERE by Martin Kirk and Jason Hickel published on the 20th March 2017, we are told that the figures used by the likes of the Gates Foundation are spurious. World poverty has not been cut by half as they claim. They all use outdated figures based on a \$1.25 a day poverty line. Always be sceptical of statistics, where they come from and what they are being used for.

The authors of the report state:

“A more accurate poverty line is \$5 per day, which, even the U.N. Agency for Trade and Development suggests this is the bare minimum necessary for people to get adequate food to eat and to stand a chance of reaching normal life expectancy. Global poverty measured at this level hasn’t been falling. In fact, it has been increasing – dramatically – over the past 25 years. Today, more than 4 billion people live below this minimum threshold. That’s nearly two-thirds of the world’s population. The Gates’ would be wise to reflect on this fact, for it is a clear sign that the development industry is failing at its main objectives”.

Even the World Bank – hardly a socialist organisation - has been forced to revise its figures on absolute poverty.

A similar argument was used in an attempt to show capitalism in a good light. by the Institute of Economic Affairs (IEA) in the 1950s against, what they erroneously believed, was Marx’s theory of “*The immiserisation of the working class*”, The IEA claimed that, following the industrial revolution, wages steadily increased during the 19th century. They left out of the equation both the impact of the trade cycle and the growth of the trade unions.

Now trade unions are less effective than they once were, wages and salaries have gone up very little in what is

supposed to be a booming economy. To get by, most households have to receive two incomes. Child poverty is increasing. Government workers have been forced to take a 1 percent pay increase but inflation is running at 2.5 percent while millions of workers have to have more than one job or persist in the gig economy. To find housing is precarious and homelessness is on the rise. Food banks are everywhere.

Only the establishment of socialism can get rid of this very real poverty along with the absolute poverty currently suffered by four billion people in the world today. Capitalism is the problem not part of the solution. The capitalist class, philanthropic or not, are also part of the problem not the solution.

Capitalism and Prosperity

Kwarteng believes capitalism “*Capitalism creates conditions of prosperity*”. In one respect he is right. Capitalism creates the condition for prosperity for the capitalist class to live a life of luxury and privilege.

According to Oxfam, the world’s eight richest billionaires control the same wealth between them as the poorest half of the globe’s population (GUARDIAN 16th January 2017).

The question Kwarteng does not ask is who created all this prosperity in the first place. He would not like the answer. It is the working class who he and his Tory chums ridiculed as “*idlers*” and “*unproductive*”.

And it was Marx who showed in Capital who this exploitation of the working class took place.

Capitalists and workers meet on apparent equal terms on the labour market and the workers sell their labour power, or ability to work to the capitalist.

The capitalist pays the worker according to the value of labour power. The value of labour power is determined like any other commodity by the amount of socially necessary labour embodied in the commodity, labour power.

The value of labour power is the amount of socially necessary labour embodied in the range of commodities the workers must consume to reproduce themselves and their families.

The capitalist pays according to the exchange value, but obtains the use value of the labour power.

Marx showed that the value of a commodity labour power also generates a surplus value for the employer. Say, it takes 6 hours out of seven hours for the worker to reproduce his value he still has to work an extra hour for free creating what Marx called “*surplus value*”. This is the source of the capitalist’s profit and creates the conditions of prosperity for the capitalist class.

Economic Crises

Kwarteng chides socialists for believing that the economic crisis of 2007-08 had dealt capitalism a mortal blow and he points out that capitalism is booming again. However, it was Marx who stated that there was “*no permanent economic crisis*” (THEORIES OF SURPLUS VALUE, Part II) p 269). In fact Marx noted that:

“...*capitalist production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation*” (WAGES, PRICE AND PROFIT in SELECTED WORKS, p 440).

Economic crises and depressions are just two points on the trade cycle. They occur, not because of problems with capitalism or those who have to administer it, but because they are necessary. Inefficient businesses are bankrupted and unprofitable labour is made redundant.

The Austrian economist, Joseph Schumpeter, called it “*creative destruction*”, but the destruction is hardly “*creative*”

for unemployed workers, their families and the struggle to make a living. And the trade cycle can rip communities apart leaving two or three generations of workers struggling to find work. Divorce, suicide, drugs, crime and mental health problems are all social consequences of economic crises and trade depressions.

Marx placed periodic crises in the correct context. He wrote:

“...the contradictions in this capitalist mode of production consists precisely in its tendency towards the absolute development of productive forces that come into continuous conflict with the specific conditions of production in which capital moves, and can alone move” (CAPITAL VOLUME 111, Chapter 6, page 366, Penguin, 1991).

Nationalisation and Capitalism

Socialists would agree with Mr Kwarteng that wide-spread nationalisation and the “*command economy*” associated with the Soviet Union is history. However, nationalisation or state capitalism has nothing to do with socialism. Nor has a “*command economy*”. And socialism has nothing to do with running a nation state.

In fact, it was a Tory government in 1844 that was going to nationalise the railways. And the Tory Party had no issue with nationalisation where it broke up monopolies or was useful for security; that is until the economic liberal Margaret Thatcher came to power with the belief that every solution was a market solution.

The Socialist Party of Great Britain never joined in with the Labour Party campaign for nationalisation. We never advocated, defended or supported nationalisation. Nationalisation is State-capitalism. There is no difference between nationalisation and private capitalism except that the ownership and control is vested in the government appointed Board, instead of a company board of directors. Nothing has changed. The aim of both forms of capitalism is the same, to make profit by the exploitation of the working class.

And as for the working class employed within the nationalised industries not only were they exploited by producing more social wealth than they were paid in wages and salaries (the creation of surplus value, as Marx put it), but they had to organise themselves in trade unions, struggle for higher wages and better working conditions and force to use the strike weapon against determined employers.

There will be no buying or selling within Socialism and there will be no production for sale. Production will be solely and directly for use.

Marx and Engels on Capitalism

According to Kwarteng, Marx and Engels praised capitalism in the COMMUNIST MANIFESTO writing:

“... accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals”.

However Marx and Engels went on to say:

“The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary they have become too powerful for these conditions, by which they are fettered, and so soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property “ (page.66 THE COMMUNIST MANIFESTO AND THE LAST HUNDRED YEARS, Socialist Party of Great Britain, 1948, page. 66)

And

“The advance of industry, whose involuntary promoter is the bourgeoisie replaces the isolation of the labourers, due to competition, by their revolutionary combination, due to association. The development of Modern Industry, therefore, cuts from under its feet the very foundations on which the bourgeoisie produces and appropriates

products. What the bourgeoisie therefore produces, above all, are its own gravediggers” (p. 71 and 72)

Capitalism did once have a progressive stage as Marx and Engels acknowledged. However, capitalism also was structured by contradictions and conflicts expressing itself in periodic economic crises and the class struggle. Capitalism had become a fetter on the forces of production, including social labour.

Capitalism has developed techniques of production potentially capable of conditions of abundance; it has developed the working class throughout the world to the point that workers now run capitalism from top to bottom, and it has created a global communication network. However, capitalism prevents production and distribution from being used to create abundance of goods and services and in meeting all human needs.

Commodity production and exchange for profit and the interest of the capitalist class prevent the potential in the forces of production of being realised. And that is why socialism is necessary. Socialism would release the productive forces from the chains imposed by the capitalist relations of production.

Did Marx Get It all Wrong?

Kwarteng believes Marx got it all wrong. He says: *“Marx thought the workers would rise and revolt at the inequalities produced by the free market. He got things completely wrong. Capitalism adapted and thrived in the 20th century, by providing a welfare state and decent public services. It was Marxism that proved to be pernicious and obsolete”*.

Marx was no clairvoyant. He could not see the future where governments would enact reforms necessary to the profit system like the 1870 Education Act or saving money on the cost of the Poor law by the implementation of the Old Age Pensions Act in 1908. Even the so-called Welfare State was set-up to rationalise previous piece-meal measures and to ensure a healthy and more productive and cheaper work-force for employers to exploit.

These social benefits were not *“produced by the free market”* but by the needs of capitalism and profitability – poor public health disrupts the production process. Now thousands of people are forced to use food banks, the ill and the disabled have had benefits cut and schools forced to ask parents to contribute for books and other school materials. Ninety people per month die after being declared fit for work by the DWP and losing their benefits (GUARDIAN 27th August 2017). According to the TUC, five million workers, in fear of their jobs, give the equivalent of a day’s worth of free overtime to their employers every week (INDEPENDENT, 25th January 2017)..

As for *“decent public services”* when was the last time Mr Kwarteng had to use public transport in the rush-hour or wait at A&E on a Saturday night? When did a capitalist last use a bus in the suburbs? They are usually full of children, the elderly and those who cannot afford a car. The working class throughout the 20th century never enjoyed good public services only second best.

Now the capitalist class cannot afford the welfare state any more. For the last decades reforms have been enacted to make cuts, get rid of services, and to reduce the cost of government going to health and social security. The welfare state is constantly clashing with the profit motive and the burden of taxation which is borne by the capitalist class.

As for the elderly, the future looks bleak. Around 1.86 million people over 50 in England already have unmet care needs - an increase of 7% since the financial crash in 2007 - 2008 (Sky News, 12 December 2015). And those with private pensions have problems too. According to the DAILY TELEGRAPH: *“A mix of record low interest rates, stagnant wages and rising inflation has left retirees 46pc worse off than those who retired before the crisis”* (DAILY TELEGRAPH, 19 August 2017).

And what is this *“Marxism”* which is *“pernicious and obsolete”*? If he is talking about the ideas and belief of Lenin then he might have a point. Leninism is obsolete. However Marx scientific understanding of capitalism laid out in CAPITAL and other works, has never been bettered.

Reading Marx and Becoming Socialists

So what of Kwarteng's conclusion that people should ignore Marx and have nothing to do with socialism? Socialists would say that capitalism is in political crisis when a Tory MP has to call out capitalism by name and to refer to it as a social system. It immediately places capitalism in a historical context with a beginning and a potential end with the establishment of socialism.

For decades apologists for the profit system would not use the word "capitalism" in their propaganda, using instead such anodyne words as "*The open society*" of the "*Free Market*". Yet they have now been put on the back foot by having to refer to capitalism by name and set it in a historical context as opposed to something that is outside of history. If you locate capitalism historically you cannot say there cannot deny that there is an alternative to the market, to buying and selling and to class exploitation.

In human history, as Marx showed, social systems come and go. It might end, as Marx and Engels considered in the COMMUNIST MANIFESTO, with the destruction of the contending classes. Or lead to Barbarism, as Rosa Luxemburg once believed. Or worse still, for capitalism to carry on from one economic crisis and war to the next. There is still the possibility of environmental and nuclear catastrophe. And then there is the rise of nationalism – economic nationalism – with its racism, hatred, and divisive politics of playing one group of workers off against another.

However, the optimistic view is that workers will one day act as "*class-in-itself*" and replace capitalism with socialism as a solution to the problems the working class face on a daily basis: a society guided by the Marxian principle: "*from each according to ability to each according to need*". This leads on to the really important question: Why should workers become socialists?

The reaction of many workers to this question will be to dismiss it as being no concern of theirs. Workers think that they have to be employed, to keep their job and try to get more pay as and when conditions permit. They are mistaken.

What happens to a particular company depends on its ability to sell its commodities at a profit, which in turn depends on what happens in the economy as a whole - that is how capitalism functions.

Some workers recognise that there are problems within the company that employ them and organise into trade unions. Socialists see this as an important step because it means workers see that they have class interest distinct, separate and opposite to the class that employs them. Socialists urge workers, in their own class interest, to take the further step of replacing capitalism with socialism.

Socialism can only be established world-wide by a socialist majority democratically taking political action within a socialist party. The aim of a socialist political party is the establishment of socialism through the vote and the capture of the machinery of government, including the armed forces.

In line with this revolutionary socialist process, the objective for the working class involves not only the dispossession of the owning class, but the ending of production for sale. It was put by Marx and Engels in THE COMMUNIST MANIFESTO as "*the abolition of buying and selling*". Engels said: "*With the seizure of the means of production by society, production of commodities is done away with*" (SOCIALISM:UTOPIAN AND SCIENTIFIC). Marx also showed that historically, in all forms of society, the way in which the products of industry are divided among the different class is determined by the existing mode of production itself.

In socialist society therefore, with production directly and solely for use and the consequent disappearance of the money system, the wages system and incomes from the ownership of property, all will have free access to what has been produced: a society of caring, generosity, tolerance and co-operation.

THE MYTH OF THE FREE MARKET

Listening to Mrs. May's October Conference speech to the Tories you would be forgiven in believing that she equates "*the free market*" with capitalism. This is incorrect

Capitalism is foremost a social system based on the class ownership of the means of production and distribution. In capitalism, social wealth in the form of commodities is produced by a propertyless class of wage workers to be sold on the market with a view to profit. Capitalism is a class society in which a privileged minority lives off the unearned income of rent, interest and profit.

Therefore, there is no such thing as a "*free market*" in the singular only markets in the plural. The most important of these markets, for socialists, is the labour market. The labour market is not free because propertyless workers are coerced onto the labour market to sell their ability to work for a wage and salary. They are imprisoned within the rationing of the wages system. And since the labour market favours the employers, workers have to form themselves into trade unions to protect themselves from the extent and intensity of class exploitation.

And do the "*free marketers*" say well done to the workers for organizing themselves into trade unions to protect and further their interests. No, Labour governments have tried to impose wage restraint on workers, the Tories have passed numerous anti-trade union legislation on behalf of the interest of employers while all the capitalist political parties periodically have used troops to break strikes. In her eulogy to "*The free market*", Mrs. May conveniently suppressed the reality of capitalism.

[Back to top](#)

India – Independence and Partition

The British Empire once thrived on Britain's one-sided trade with its colonies. India had supplied textiles and gold, and cotton for Lancashire factories. But by the end of World War II, Britain was broke and the Empire was too expensive. At the same time, from the 1930s, Indian politicians had been agitating for independence with growing mass support - huge crowds supported Gandhi's protests against the Salt Tax.

But in 1947, when Mountbatten – war-hero and cousin of the King – finally announced India's independence, he also gave independent status to the Muslim provinces as a separate state, Pakistan. In the 1940s, Churchill and later Attlee supported the setting up of Jinnah's Muslim state, Pakistan. Probably they expected this state to favour the West against the Soviet Union, supporting continued British influence in a part of southern Asia which is also a close neighbour to the oil-rich Arab and Gulf states. Geography and strategic issues made north-west India a key ally, all the more so since India's Nehru seemed to favour the Soviet Union as against 'imperialist' Britain.

This partition of the Indian sub-continent on religious lines copied the 1920s partition of Ireland. The Republic of Ireland, largely Roman Catholic, had fought for independence from British rule. But Northern Ireland was mainly Protestant, 'loyal' to London, and included Belfast's shipyards. As a strategic naval asset the British government needed to hold onto Belfast. After independence, for decades Eire suffered from unemployment and emigration. In Northern Ireland, Protestants discriminated against Catholics – in jobs, housing and politics.

And the violence and terrorism which had helped to force the British out carried on down the generations, and is still only just beneath the surface.

The Indian sub-continent too has suffered from inter-communal conflict. Even before 1947 and independence, with the British rulers' policy of '*Divide and Rule*', the political climate was being poisoned by inter-communal hostility fomented by Jinnah and the Muslim League. In Calcutta in August 1946, after a Muslim League rally calling for a separate Muslim homeland, Muslims started to attack Hindus, and the violence escalated, unchecked, lasting for 3 days, with thousands killed on both 'sides'.

And just a year later, in August 1947 the announcement of Independence acted as a signal for the start of massacres all over the sub-continent. Hindus, Muslims, Sikhs and others fled their homes in all directions, so that hardly a

family was untouched by this terrifying tragedy. In Calcutta and the Punjab the atrocities were especially horrific.

In subsequent decades, India has had many episodes of inter-communal massacres. Although India was set up as a secular state, in recent years an extremist sectarian Hindu party, the BJP, has become dominant, led by Prime Minister Modi. Under both successive Congress governments and now the BJP, India's governments have been noted for corruption. Hinduism has tolerated or encouraged, by 'cow vigilante' groups and enforcement of the archaic Hindu caste system.

Partition also had an economic impact. For once wealthy Bengal, partition meant a lasting impoverishment due to the dismemberment of its valuable economic asset, the jute industry.

In (Muslim majority) East Bengal, jute was grown; this was processed in West Bengal's factories, and then exported to British carpet factories and shipbuilders. Partition ended this economic co-operation. By the time East Pakistan had become independent from Pakistan, as Bangladesh, it was extremely impoverished. Its version of Islam has become very extreme –there are reports of atheists being murdered by vigilantes, and of women being subject to acid attacks, forced marriage, and so on.

Pakistan has had a series of incompetent or corrupt governments, periodically replaced by military dictatorship. Pakistan's Army – like Egypt's – has a privileged role in the economy. Since 1947, India and Pakistan have fought at least 3 wars, are still fighting over the disputed province of Kashmir, while both have nuclear weapons, and between these feuding states travel and trade is almost non-existent..

Down the generations, nationalism has been fuelled by religion. Ideologies like these have been used all over the world to divide the working class against each other.

A similar pattern was played out in Ireland. The intransigence of Northern Ireland's Unionist politicians, with their hostility to any lifting of the barriers between their 'Loyalist' core and all others, is oddly reminiscent of Pakistani and Hindu hostility, in both parts of the Indian sub-continent. This is 'identity politics' at its worst.

Yet the fact is that, like the Irish from both sides of the border and from any or no religion, Indians and Pakistanis, when settled as immigrants in England, Wales or Scotland, do not indulge in fratricidal inter-communal murders and massacres.

They have mostly decided to discard those irrelevant political animosities. However, all too many remain divided by the pull of religions. There are still Hindu women who fancy they see the face of a god in their chapatti; there are still patriarchal Muslim families who would murder a daughter as an '*honour killing*'.

Mountbatten had lines drawn on the map to divide India into different states, divided by 'religion'. But from outer space, all that astronauts can see is land and sea – a beautiful planet, home to all humankind. They cannot see these artificial political and religious divisions, or the wars which come from divisive hatred and animosity.

In the modern world, religion – especially Islam - is still the main motivation for Middle East terrorist groups. Like nationalism and racism, these beliefs, these ideologies and '*false narratives*' are cynically exploited to divide workers, setting them against each other. But the real interests of the working class are opposed to capitalism, and fantastic fairy tales and religious myths are of no relevance to us.

We need to come together, to unite against the worldwide capitalist class system, and this cannot be done effectively while we allow ourselves to be split by religion, racism and nationalism. The history of the Indian sub-continent over the last century or so is a lesson in the deadly dangers of such divisive ideologies.

THE DANGER OF THE GENERAL STRIKE& DIRECT ACTION

Some advocates of industrial action want general strikes in order to bring capitalism to a standstill, or want workers' councils to take over the factories etc. It is quite possible for large number of workers when their conditions are exceptionally harsh to be roused to press their claims for improvements by some such action, but

what then? Having created chaos or disrupted the normal processes of capitalist production and sale...what is the next step? Those in control of the machinery of government, including the armed forces, have still to be dealt with. They may decide to “fight it out” at whatever cost; or may make concessions sufficient to take the heat out the movement; in either event it will collapse. For let it not be forgotten, this is not a socialist working class demanding socialism but a predominantly non-socialist working class content to continue with capitalism provided only that some especially galling feature is for the time removed. The replacement of capitalism by socialism does not even enter the picture; workers who will not vote for socialism certainly will not strike for it.

DDECLARATION OF PRINCIPLES EXPLAINED, Socialist Party of Great Britain

[Back to top](#)

Lewisham, Charlottesville and Democracy

Footage of the Battle of Lewisham, believed to have been lost for 25 years, has been rediscovered by researchers at Goldsmiths, University of London. The film shows the events of 13th August 1977, when a National Front march through Lewisham in South East London led to violent clashes with anti-fascist groups, and later between the demonstrators and the police.

The National front had selected Lewisham because of the large number of immigrants living there. The aim of the National Front was to not only to racially blame Afro-Caribbeans for alleged street crimes but to recruit from the white working class: a politics of divide and rule. The National front had received 100,000 votes in the Greater London elections of that year and had only just failed to win in the Lewisham ward of Deptford. Fascist politics seemed to be on the rise again.

Opposition to the march was organized by the Socialist Workers Party and the ensuing violence led to 214 arrests and 110 taken to hospital. A young socialist clutching a bundle of SOCILAIIST STANDARDS at the Lewisham demonstration watched as both groups fought each other: he could not tell them apart.

The aim of the SWP was not only to prevent the National Front from marching but also to stop them from holding public meetings, a policy they extended later to include the BNP, British First and the EDL. The level of political violence at the Lewisham demonstration had not been seen since the 1936 Cable Street clashes between the Metropolitan police, protecting a march by members of the British Union of fascists led by Oswald Moseley and opposed by anti-fascist demonstrators.

Twenty Five years later, this time in the university town of Charlottesville, Virginia in the United States, a similar violent demonstration and counter-demonstration took place. The rally, made up of an assortment of Neo-Nazis, white nationalists and supremacists, some shouting out “*anti-Semitic*” slogans, was the largest seen of its kind in the US for decades.

The demonstration followed a torch-light march the previous day by white nationalists aggrieved at the proposed removal of a statue of General Robert Lee who had commanded the pro-slavery Confederacy. The statue to Lee had been deliberately erected in 1924, along with others, to segregate public spaces in order to re-divide black and white workers in the interest of the Southern ruling class (*A House Divided*, THE GUARDIAN 17th August 2017). The demonstration by white nationalists was also reminiscent of the march by Brown Shirts parading through the Berlin Brandenburg gate in 1933 following Hitler becoming the German Chancellor.

In a press conference the following day, President Trump failed to criticise the white nationalists taking part in the demonstration against the removal of the statue of Robert Lee. Trump’s remarks were also praised by David Duke, the former leader of the Klu Klux Klan. However, the image which has become synonymous with the rally was of a scene of a car being driven at speed by a white supremacist into a crowd of peaceful counter-demonstrations which left one dead and 19 badly injured.

What of the counter-demonstrators? The violent response from some of the anti-fascist demonstrators not only

wanted to prevent racist groups demonstrating but also to stop them expressing their ideas and belief in public forums and on the internet. This is the policy adopted by the Socialist Workers Party. In their weekly newspaper, Socialist worker, they stated:

Socialist Worker believes that Nazis should never be allowed to speak publicly or organise openly.

People opposing this view say that no one should be denied freedom of speech and that anyway the best way to expose fascists is through rational debate. But Nazis are not interested in debate. They are not like other political forces—or even other racist parties such as Ukip.

<https://socialistworker.co.uk/art/39807/Should+fascists+be+allowed+freedom+of+speech%3F>

There is also a move, aided and abetted by governments, to force the removal of racist sites deemed to be politically “extreme”.

What constitutes “*political extremism*” is nebulous and cannot be readily defined. As soon as the state starts to define “*political extremism*” not only could it draw into its nets the SWP and anarchist groups but also socialists; that is anyone the state does not like the look of. No doubt the state saw the SPGB as “*political extremists*” during the two World Wars, which the Party opposed on the grounds of having no interest for the working class. Party members were imprisoned and the SOCIALIST STANDARD subject to censorship.

The question both these demonstrations raise is what the socialist response should be to racists and their divisive ideas. Nationalism and racism are divisive ideologies splitting the working class. However, should they be violently opposed or should they be challenged in open debate as part of the struggle to establish socialism. Socialists are against the use of violence as a political means to achieve socialism and to violently suppress political views, however abhorrent they happen to be.

Socialists take the reasonable view that the only way to defeat white nationalism, racist groups and neo-Nazis is to expose their ideas and beliefs to the light of day and to show that they are not only unsound but act against the interest of the working class.

And those drawn to racist political organisations also happen to be workers. They may be violent and used by leaders for violent ends but they face the same problems faced by workers everywhere. It is convenient to label them “*knuckle scraping Neanderthals*” but they are employed and exploited just like every other worker under capitalism; and they face the same problems of unemployment poor and inadequate housing education and health provision along with other social problems which they mistakenly blame on other workers. Are we to believe that the wide range of pro-capitalists beliefs held by workers are so strong that they will always be a barrier to socialist ideas? The only way to defeat anti-socialist ideas, including racism and sexism, is by open democratic discussion.

We reject the trend of “*no-platforming*” which prevents individuals and groups expressing their political ideas in university campuses and on the streets. The Socialist Party of Great Britain debated with the British Union of Fascists at Mawney Road School in 1935 on the basis that the socialist case has the power and persuasion to dissuade workers from holding racist ideas and beliefs. This position was taken again when the SPGB debated with the British National Front in 1969. While a lone socialist undergraduate studying at the LSE in the late 1960s, opposed the student union ban preventing the eugenicist Professor Hans Eysenck speaking there. Eysenck’s books were on the National Front’s recommended reading list.

The practice of democracy and the debate of political ideas give political knowledge to the working class. All political views, including our own, should be subject to scrutiny, questioning and inquiry. To deny political views from being debated is an act of elitist arrogance. It assumes that workers are too stupid to make-up their own minds when hearing contesting political views.

However we do not simply adhere to democratic processes as an end in itself. Democracy and the socialist use of democracy is to further the socialist objective. When socialists debate with other political organisations it is in order to convince workers that they should become socialists and join us to end capitalism and replace it with the common ownership and democratic control of the means of production and distribution.

Anti-racist arguments have to be linked to the case for socialism otherwise capitalism – the social system which causes racism in the first place – goes unchallenged. Racism only ends with the growth of a world-wide and united socialist movement politically organised to establish socialism.

BEVERIDGE RE-ORGANISES POVERTY

October 2017 was the 75th anniversary of the publication of the Beveridge report in November 1942. Apparently Beveridge thought taking the burden of healthcare and pensions from capitalist companies and individual capitalists would increase competition while producing more productive workers. The Report set out a reform programme to address five pressing social problems: want, disease, ignorance, squalor, and idleness. 75 years later these problems are still with us. The Socialist Party of Great Britain at the time responded with the following comment:

“We remain unimpressed. The great problem stays even if every dot and comma of the Report is put into operation. That problem is the outstanding social problem of the age – the poverty of the working-class, and not just the additional burdens in time of unemployment, old age and sickness, burdens which incidentally Beveridge does little to lift. The poverty of the working-class is due to the private ownership by the capitalists of the means of production and distribution. Socialism alone can end that poverty. We shall not be diverted from our task in order to chase the shadows, but we shall continue to strive for the substance, Socialism, which will abolish for ever the conditions which bring into being the evils of the modern world” (Beveridge Re-organises Poverty, 1943).

[Back to top](#)

Capital at 150 and its Relevance to the 21st century

The first volume of CAPITAL was published one hundred and fifty years ago in September 1867. Although there are three volumes to CAPITAL, the first volume was the only volume to be published in Marx’s own life-time. A fourth volume of CAPITAL, called THEORIES OF SURPLUS VALUE, was edited by Karl Kautsky after Engels’ death in 1895.

Although Marx drew most of his examples from 19th century England, CAPITAL is not a work of history. CAPITAL is subtitled “*A critique of political economy*” and by that Marx meant a critique of the works of economists like Adam Smith and David Ricardo, whom he referred to as “*classical economists*”, and economists like J. B. Say and Robert Malthus, whom he described as “*vulgar economists*” who were only interested in the superficial workings of the market.

Against the economists of the 19th century and those economists of today, Marx showed in CAPITAL that capitalism was not a natural order but was located in history. Capitalism had a beginning and a potential end in human history. Capitalism also had laws acting on commodity production and exchange for profit in which the working class sold their “*labour power*” as a commodity in exchange for a wage or salary. These laws gave rise to the trade cycle which Marx discussed in the first chapter of the book when demolishing Say’s Law that that claimed the market was harmonious and self-adjusting.

In later chapters on surplus value, Marx showed how exploitation took place under capitalism with the working class working a “*necessary labour time*” and a “*surplus labour time*” for their employers, resolving itself into earned income of wages going to workers and the unearned income of rent, interest and profit going to the capitalist class. Furthermore, Marx showed that there was a tendency in capitalism towards the concentration and centralisation of capital as well as the formation of an industrial reserve army of the unemployed which rose during an economic depression and fell during period of good trade. Famously, he remarked “*one capitalist always kills many*”.

CAPITAL, is foremost a work of theory – an explanation of how capitalism works. Marx in setting out his scientific analysis of capitalism used new terms which are often unfamiliar to the readers of his work. However, reading CAPITAL deserves perseverance. The reader does learn something new.

In many respects we should not be celebrating 150 years of CAPITAL. It is doubtful if Marx himself would have thought capitalism would still exist in 2017. However, Marx could not have anticipated the rise of social reformism and the establishment of the Soviet Union both of which have retarded the development of socialism.

The Soviet Union is an interesting case. Although its government claimed to be ‘*Marxist*’, Marx’s CAPITAL was applicable to the way Russia developed after 1917 and subsequently exploited the working class there. Workers still had to sell their labour power and were exploited in the productive process while Russia still had to compete on the world market with all the problems it caused state enterprises to efficiently produce and sell commodities.

Although CAPITAL was written for the working class, Marx assumed a reader willing to learn something new and “*therefore to think for himself*” (p.90). To help the reader, Marx explained that the method he used was different to physics and chemistry and was instead the systematic use of “*the power of abstraction*” (p. 90). Consequently, there is a development of concepts from the simple to the more complex. CAPITAL begins with the commodity but ends with capitalism threatened by a growing political force: the working class.

In giving his burial oration, Engels made the comment that Marx was: “*the best hated and most culminated man of his times*”. Why? Politically, Marx was associated with the founding of the First International which would not have pleased his political opponents and he supported the Paris Commune against the French ruling class. However, his writing of CAPITAL was enough for him to be marked out for criticism and disdain. Marx was foremost a socialist revolutionary. He wanted to see the working class replace capitalism with socialism where there would be no buying and selling; a social system of free men and women in which: “*the free development of each is the condition for the free development of all*” (COMMUNIST MANIFESTO). He wrote CAPITAL, therefore, to assist the working class in its struggle with the capitalists.

In the conclusion to the first Preface he said:

“*The peculiar nature of the material it deals with summons into the fray on the opposing side the most violent, sordid and malignant passions of the human breast, the furies of private interest*” (Penguin, p. 92).

Marx clearly recognised that he would not receive praise for CAPITAL from the capitalist class and its political agents. At first they tried to kill CAPITAL with silence, but once Marx was dead it was one attack on CAPITAL after the other, particularly from the Austrian School of economics – Menger, Bohm-Bawerk, von Mises, Hayek, Rothbard and later “*faux libertarians*” in their free market institutes who clearly saw the threat of CAPITAL to the interests of the capitalist class. After 150 years “*the furies of private interest*” have never stopped trying to refute CAPITAL. And after 150 years they have not been successful. CAPITAL only stops being relevant with the abolition of capitalism and the establishment of socialism.

[Back to top](#)

The Origin of Capitalism in England

Marx rejected the origins of capitalism found in the works of people like Adam Smith who claimed that commodity production and exchange for profit was the outcome of human nature to “*truck, barter and trade*”. In this account of the origin of capitalism, early capitalists were depicted as “*frugal*” and “*industrious*”, accumulating wealth by hard work to kick-start the industrial revolution. The emerging proletariat, on the other hand, were shown as “*Lazy rascals*”; slothful, indolent and, given the chance, would spend all day either in bed or in the tavern getting drunk: all a convenient fiction at odds with the historical truth.

School history books in the 1960’s were still uncritically defending this particular bourgeois myth accounting for the origins of capitalism and the capitalist class and the working class. And it is still bedrock of conservative thought; remember the lecture at the 2012 Tory conference from the former Chancellor of the Exchequer, Mr George Osborne - born with a silver spoon in his mouth - vilifying “*the feckless*” still asleep behind drawn curtains as hard-

working men and women made their way to work.

Instead, Marx gave a real and historical account of the origin of capitalism; the proletarianization of the peasantry, the enclosure acts which forced the peasants off the common land. These accounts are contained in two chapters in the first volume of CAPITAL; chapter 26: *The Secret of Primitive Accumulation* and chapter 27: *The Expropriation of the Agricultural Population from the Land*.

Marx wrote that the starting point in the rupture between feudalism and capitalism:

“...consisted in a change in the form of this servitude (the enslavement of the worker) into the change from feudal exploitation into capitalist exploitation

” And this occurred when:

“...great masses of men are suddenly and forcibly torn from their means of subsistence and hurled onto the labour-market as free, unprotected and rightless proletarians” (p. 895).

And he concluded:

“The spoliation of the Church’s property, the fraudulent alienation of the state domains, the theft of the common lands, the usurpation of feudal and clan property and its transformation into modern private property under circumstances of ruthless terrorism, all these things were just so many idyllic methods of primitive accumulation. They conquered the field for capitalist agriculture, incorporated the soil into capital, and created for the urban industries the necessary supplies of free and rightless proletarians (CAPITAL, volume 1, ch. 26 Penguin 1991, p. 896)

This historical process, for Marx, only occurred first in England: the rest of Europe was to follow.

Since Marx wrote these observations some 150 years ago, historians sympathetic to Marx’s approach to the question of capitalism’s origins have carried out detailed research, like Rodney Hilton in his *“Bond Men Made Free: Mediaeval Peasant Movements and the English Rising of 1381* (1973) and the *“Crisis of Feudalism”* (revised edition, 1991). And more recently there has been the work on the transformation of feudalism to capitalism by Robert Brenner, which has led to a lively debate between so-called political and orthodox “Marxists” on the origins of capitalism. A flavour of this debate can be read in *“The Brenner Debate: Agrarian Class structure and Economic Development in Pre-Industrial Europe”*, edited by T.H. Ashton and C.H.E. Philpin (1985).

The latest study of the emergence of capitalism in England is “THE ORIGIN OF CAPITALISM IN ENGLAND: 1400 – 1600” (2015) by Spencer Dimmock, an historian at the University of Kent. Dimmock’s book is a defence of Brenner’s own view of the transition from feudalism to capitalism as well as a detailed account of the social transformation in the town of Lydd and the surrounding rural Romney Marsh, in East Kent, from the late thirteenth century to the middle of the fifteenth century.

The first part of the book is a defence of Professor Robert Brenner’s contention that capitalism emerged in England due to the transformation of agricultural production rather than the rise of international trade.

In his article *“Agrarian class structure and economic development in pre-industrial Europe”* (1976) Brenner argued that smallholding peasants had secure property rights, had no need to further technological development and therefore had no interest in establishing capitalism. Capitalism emerged in late feudalism as a consequence of landlord attempts to protect their income streams from the negative effects of the Black Death, The Peasants’ Revolt and the decline of serfdom. Unlike Europe, property relations in England allowed the Lords to enclose peasants’ land, a historical process already acknowledged by Marx in CAPITAL. This enabled rich yeoman farmers to employ former peasants as wage- labourers who had lost their small-holdings and ability to support themselves.

This historical approach to the emergence of capitalism has been called “*political Marxism*” because it prioritises specific class structures rather than specific social systems. In his introduction Dimmock gives a resume of Brenner’s

approach:

“Brenner defines specific societies such as feudalism and capitalism by their structure of class relations and the specific way in which the surplus product or surplus labour is extracted from the producer by the non-producer – that is, from peasants by feudal lords in feudalism, and from wage workers by capitalist entrepreneurs in capitalism” (p4).

And he goes on to say;

“For Brenner the rivalry and competition amongst lords and between states in feudalism, and amongst capitalist entrepreneurs and between states in capitalism, is at least as important a factor in determining change (p 4-5).

Dimmock believes that, given the evidence, Brenner’s account of the causes for the change from feudalism to capitalism is the correct interpretation.

What of the “*Orthodox*” account which Dimmock attacks? Brenner believes that the Orthodox account, defended by Trotskyist historians like Neil Davidson in his book: HOW REVOLUTIONARY WERE THE BOURGEOIS REVOLUTIONS (2012) and the late Chris Harman in his book “MARXISM AND HISTORY” (1998), is more motivated by contemporary political concerns and the way in which they see a future “*socialist*” revolution taking place rather than the historical facts relating to the emergence of capitalism. Chapter 8 gives a useful overview of the debate, where quotations are taken from Marx’s various writings; from the COMMUNIST MANIFESTO to CAPITAL, and used by both sides with almost theological exegesis to support their respective views.

Nevertheless, Dimmock believes he has Marx on his side. He says that a later Marx; the Marx of CAPITAL emphasised:

“...the internal solidity of particular societies such as feudal societies in the face of the potential dissolving effects of commerce, ..., for Marx capitalism had an agrarian origin” (p. 232)

What of the facts to support the claim that capitalism had an agrarian origin? In Part 2 of the book “ECONOMIC AND SOCIAL TRANSFORMATION IN KENT: A CASE STUDY”, Dimmock attempts to show that despite enclosures and commercialisation, East Kent remained a subsistence economy until the mid-fifteenth century. The revolutionary change took place over the following hundred years as land lords and their yeoman tenants created the conditions for the emergence of agrarian wage labourers. He writes:

“By the early fourteenth century, most of the peasantry in the county held their lands by a relatively free customary tenure which was hereditary. These holdings were already typically enclosed rather than spread out in the open or common fields, and as a result common land was much rarer in Kent than in regions such as the Midlands where agricultural production was undertaken in open fields (p. 235).

And Dimmock concludes:

“The classic agrarian capitalist class structure in England took the form of the triad of commercial landlord, lease holding tenant and landless wage labourer. It was never so neat and tidy however and would only become sharply defined and generalised across the whole of England during the seventeenth century. Nevertheless, a less sharply defined but functioning agrarian capitalist social-property structure operating, in Ellen Meiksins’s Wood’s words, ‘according to principles and “laws of motion” different from those prevailing in any other society since the dawn of history’, and based in particular on the first two elements of the triad, was in place much earlier (p.301).

So, it is back to Marx and forwards to socialism. Despite the controversies and differing interpretations Marx’s writings on the emergence of capitalism from feudalism; he did show that there was a revolutionary rupture between these two social systems as a result of class, class interest and class struggle. Furthermore, capitalism had an origin in human history coming “*dripping from head to toe, from every pore, with blood and dirt*” (CAPITAL, volume 1, p.926). From a socialist perspective, this insight by Marx, locates capitalism within a historical trajectory of capital accumulation and profit and with a potential end in human history by the conscious and political agency of the

Capitalism at a Crossroads

“Is Capitalism at a Crossroads?” asked the worried journalist, Toby Helm (SUNDAY OBSERVER 1st October 2017). Like the proverbial Heinz 57 sauces, he believes that there are numerous varieties of capitalism run by various governments or institutions like the EU, all of them now being questioned by a rise in populist politics throughout Europe and the US.

Helm is just another of a long line of mainstream journalist who thinks capitalism is in political crisis. He writes:

“Rather than creating more prosperity for all, the commitment to unfettered free markets, deregulation and the winding back of the state had left a huge mass of the population in insecure jobs, with declining real wages and without decent homes, while lining the pockets of a small and ever-richer elite”

Helm believes that the question *“Which variety of capitalism”* is increasingly being replaced by the question *“Capitalism or socialism?”* Was this really the case? What he means by *“socialism”*

”, though, is not socialism at all, but instead the back-to-the-past social reforms of Jeremy Corbyn’s Labour Party. The expression *“varieties of capitalism”* is taken from the book *“VARIETIES OF CAPITALISM: THE INSTITUTIONAL FOUNDATIONS OF COMPARATIVE ADVANTAGE (2001),* edited by the political economists, Peter A. Hall and David Soskice. These two academics assert that there is no alternative to capitalism, only the existence of different styles of economic policy to be pursued by governments as though it was a fashion competition between different design houses. According to the authors, socialism has no future and is written-off as dead and buried, although what they mean by *“socialism”* is the bogus *“socialism”* of the Soviet Union and the pre-Blair Labour Party. They also refer to the form of capitalism found in the UK since the late 1970’s as *“Anglo Saxon capitalism”* defined as an economy with a small state, low taxes and a deregulated market which they contrast with the more interventionist capitalism found in countries like Germany and Sweden.

However, the varieties of capitalism described in their book all share a fundamental characteristic; namely they are all based upon class exploitation. So these varieties of capitalism are really a distinction without a distinction. Capitalism is a social system with a capitalist minority struggling with a working class majority over the intensity and extent exploitation. Both in Helm’s article and in the book’s various chapters, edited by Hall and Soskice, there is a total ignorance of what capitalism actually is and how it actually works.

So, what is capitalism? Capitalism is commodity production and exchange for profit in which the means of production and distribution are privately owned to the exclusion of the majority of society. Workers are forced onto the labour market to sell their ability to work as a commodity in exchange for wages and salaries. During the working week, the working class produce more social wealth than the amount of wages they take home with them. The additional social wealth, produced as commodities by the working class, is called by Marx *“surplus value,”* Surplus valued is the source of the unearned profits going to the industrial capitalists, rentiers and financiers and to their state in the form of taxation. The capitalist class enjoy surplus labour time from the working class.

What about Helm’s assertion that governments run a capitalist society. Governments do not run capitalism. Instead capitalism runs and ultimately destroys governments, prime ministers and politicians. Take, for example, an economic crisis and the subsequent high levels of unemployment it causes during a depression. No government can anticipate when an economic crisis will occur nor do anything about the crisis and high levels of unemployment once it occurs. Gordon Brown thought that *“boom and bust”* had ended under his watch. That is what the economists were telling him at the time. And Brown also praised Lehman Brothers just before it collapsed. Such is political hubris before the fall.

And what of Corbyn's alternative reform programme that so alarms Toby Helm? Corbyn claimed at the recent Labour Party Conference that "*Capitalism faces a crisis of legitimacy*". Corbyn is only referring to capitalism in a narrow sense of the word to distinguish the economic policies under previous Conservative and Labour administrations from his own policies of nationalisation (state capitalism), market regulation, higher taxes, and government intervention in the economy. Socialism it is not. Corbyn does not want to abolish capitalism.

Of course, there has been a crisis of political legitimacy for political parties claiming to run capitalism since the economic Global crisis of 2008. It is a contributory factor that has led to Brexit, the rise of nationalism in many European countries; Corbyn's resurrection of pre-Blair Labour policies, electoral gains for neo-Nazism in Germany, particularly in the East of the country and of course the election of Donald Trump in the US. The politics which favoured '*globalisation*', free markets and free trade with the dogmatic belief that there is no alternative, socialist or otherwise, to the market is now shot below the water. Economic liberalism – unfettered free markets, deregulation and a minimal state - is now out of fashion. It is just one failed set of policy ideas and beliefs going back to the economic liberalism of the 19th century which had no answer to the Long Depression from 187 or the Great Depression of the 1930s. This is not to forget the failures of Keynesianism and Monetarism, both of which had no answer to the economic crises of the 1970s, 1980s and 1990s. Capitalism's economic policies can do nothing to serve working class interests.

Helm quotes Theresa May's Bank of England speech defending what she naively believes to be capitalism. She said: "*Capitalism is unquestionably the best, and indeed the only sustainable means of increasing living standards of everyone in a country*". May is of course talking about a very narrow "*Anglo-Saxon*" policy not the policy now being advocated by Jeremy Corbyn. However, what unites both policies, the one defended by May and the one proposed by Corbyn, is that they both address one and the same social system based upon the private ownership of the means of production and distribution and class exploitation.

May's description of capitalism is plainly incorrect and goes against the lived experience of the working class. Capitalism does not meet the needs of all society. The relentless day-today problems that face millions of workers bear this out. Capitalism is a barrier - a fetter - to increasing living standards for all of society. Capitalism prevents the means of production and distribution from being used to meet all human needs. It is a wasteful and destructive social system and the cause of environmental degradation, including global warming. Capitalism benefits a minority not the majority. Only socialism can create a world fit for human beings to be creative and flourish to the best of their ability.

Capitalism is at a Crossroad. However, the sign pointing to socialism is not a road pointing towards Corbyn's futile reformism. It is a road taken by socialists who have rejected leadership cults and can stand on their own two feet and think for themselves. It is a sign that says: "*common ownership and democratic control of the means of production and distribution by all of society*". And it is a sign that gives a lie to the dogmatic assertion that there is no practical alternative to capitalism. There is a practical alternative to the profit system – socialism. And the road to socialism should be taken now by workers everywhere. It is time for the working class to leave the crossroad for a better future.

[Back to top](#)

Marx and Labour Vouchers

In THE CRITIQUE OF THE GOTHIA PROGRAMME, Marx considered the use of labour vouchers in the early stage of socialism, something which is still held to be necessary by many groups and parties claiming to be socialist.

Labour vouchers were originally proposed by the utopian socialist and reformer, Robert Owen in 1820, and were taken up again by Marx some 55 years later in his CRITIQUE OF THE GOTHIA PROGRAMME, to deal with events immediately after capitalism had been abolished. Labour vouchers were to act in a similar way to money by governing access to goods and services.

Like the “*lower phase of communism*”, labour vouchers are no longer necessary once socialism has been established globally by a socialist majority.

Marx referred to a “*lower phase of communism*” because he thought that production levels were not sufficient to allow for “*free access*”. He also said that many people would still retain a “*narrow bourgeois outlook*” and would at first not have the ability or experience to run a socialist society. This would mean that a labour voucher system would have to be introduced until such time as these organisational problems had been resolved.

Marx envisaged that, each and every person who could work would be issued with a labour voucher according to either the duration or intensity of the work they carried out. On the strength of whatever was marked on the paper, the individual would then withdraw consumer goods from the communal store.

Over a century later, socialists say that the introduction of labour vouchers is totally unnecessary. Socialists would not establish socialism with a sizeable number of the population still retaining a “*narrow bourgeois outlook*”. Far from it, socialism will be established by a socialist majority understanding the need for socialism, the implication of a common ownership system and actively wanting it. There are no short cuts to socialism. A socialist majority is a precondition for socialism being a practical and feasible proposition at all.

And in any case, clinging to what Marx said over a hundred years ago

A statement made under more primitive technological circumstances, is a perverse dogmatism. Marx expected socialists to think for themselves and doubt everything, which would include his own pronouncements about a future socialist society.

If we look at the question of labour vouchers a little more closely, we can see what an absurd proposition labour vouchers they really are. The principle was that labour vouchers would be given out based upon the length and intensity of the work done. Marx admitted that some people would get more labour vouchers than others because some workers would be mentally and/or physically superior to other workers. This would result in differing standards of living.

Then there is the administration of vouchers and the distribution and collection of vouchers which would be a bureaucratic nightmare. Also, there is the risk that some workers still with a “*bourgeois*” way of thinking would exchange the labour vouchers on a “*black market*”. And finally what about the different size families, those unable to work due to mental and physical illnesses, the young and the old and so on? On examination, such a scheme of labour vouchers was rightly rejected by the Socialist Party of Great Britain.

Nevertheless, socialists will more than likely be faced with problems bequeathed by capitalism: environmental degradation, the desperate need for medical health provision, insufficient and poor housing and other similar problems which will need urgent attention. Free access will exist immediately but it will be a free access during a period where socialists will be clearing up capitalism’s mess and increasing production and distribution to the level of abundance to meet the needs of all society. This will require responsibility, patience and understanding.

How these problems would impact on socialist planning and organisation at the time we just do not know nor can we anticipate the level and sophistication of the techniques of production available to socialists after abolishing capitalism. We also do not know how long it will take to eradicate the problems left behind by capitalism. However, socialists will be in the majority, common ownership and democratic control of the means of production and distribution will prevail and right from the beginning the principle would be: “*from each according to ability to each according to needs*”.

Socialism: Producing in Abundance to solve Poverty, Hunger and Starvation

Socialists, including Marx and Engels, recognise that capitalism has laid the foundations for science and technology

to be developed and used to create the conditions for an abundance of wealth. And by abundance, socialists do not mean a society flowing with milk and honey but one in which sufficient food, clothing, medical services, transport and communication systems and so on are produced to allow men and women to flourish and take part in the democratic affairs of a socialist society.

Advances in science and technology, as well as skilled, co-operative and social labour, have made redundant the use of the wages system to ration what the working class need to live as a subject and exploited class. Commodity production and exchange for profit has now become an obstacle preventing human needs from being met.

Economists claim that there is “*natural scarcity and infinite desires*” requiring the continued existence of capitalism with all its contradictions, waste, war and poverty. This is a disingenuous argument. Natural scarcity might have existed in the past but under capitalism scarcity is artificially imposed because the market system for profit prevents the forces of production, including co-operative social labour from being developed to its fullest extent.

And “*infinite desires*” is a meaningless expression. It assumes are passive consumers only interested in their own self-gratification with no interest at all in the wider concerns of society. We are constantly bombarded with images of a consumer fantasy world of jewellery, fast cars and luxury houses. It is a capitalist concept of the “*individual*” who cries out “*I, I, I*”, “*me, me, me*” “*I want, I want, I want*” fixated to “*a vast accumulation of commodities*”. Socialists, instead, deal with real practical needs within a social and historical context not a fictional one used to justify the anti-social pursuit of capital accumulation and profit-making. Economists do not deal with the real world, but as Marx noted, the world of appearance. He referred to these economists as “vulgar economists”.

Real needs, with respect to food, transport, health, education, housing and general well-being, could be met now by the developments that have taken place in agriculture, technology and science. Starvation and hunger, for example, need not occur. In an article in NATURE for October 2011, researchers at the University of Minnesota showed that sustainable agriculture could deliver sufficient food for the entire planet’s population.

<http://www.nature.com/nature/journal/v478/n7369/full/nature10452.html>

However, they went on to say that this could only occur if humanity “*worked together to make it happen*”. They proposed a policy of sustainable production by halting farmland expansion in the tropics, closing ‘*yield gaps*’ on underperforming land, increasing cropping efficiency, using agricultural inputs more strategically, altering diets and reducing food waste. All practical proposals with one drawback: the private ownership of the means of production and distribution to the exclusion of all society. Under capitalism it has no chance of happening but it could be done in socialism where production would take place directly to meet human needs, rather than primarily for profit as now.

Capitalism, for example, either wastes or destroys literally tons of food each year. About a third of all food is wasted under capitalism, enough to feed the world’s population. However, the waste is not a technical issue about storage, transport and distribution but a question of prices, markets and access to markets and profit.

http://en.wikipedia.org/wiki/Food_waste

Reducing food waste can improve the efficiency of food chains and help to distribute food more evenly to those who are in need. An important reason why capitalism consistently fails to produce enough food to satisfy people’s needs is that farmers, like other producers, are aware that a glut of commodities leads to the price falling. When this happens, they have two options: either to destroy the surplus product, hoard it, or be forced to sell at a loss. In order to prevent this happening, they take care to restrict the acreage sown. Only in a crazy economic system like capitalism could it be the case that a good crop spells ruin for farmers: Where abundance is seen as a disaster!

Food just cannot be given away under capitalism, otherwise prices will collapse and farmers will go bankrupt. The response under capitalism to starvation is charity and food banks. Charity and food banks cannot get anywhere near the problem of poverty, starvation, hunger and the inability to buy food. According to the UN’s Food and Agriculture organisation (FAO):

There is sufficient capacity in the world to produce enough food to feed everyone adequately; nevertheless, in spite of progress made over the last two decades, 805 million people still suffer from chronic hunger.

However the UN cannot criticise capitalism. The UN cannot tell the truth about why there is sufficient capacity in the world to feed everyone. It cannot point to the private ownership of the means of production, the existence of nation states, commodity production and exchange for profit as the reason why 805 million people still unnecessarily suffer from chronic hunger. And that is the figure suffering “*Chronic hunger*” not the millions of others who live and die in poverty due to lack of medical treatment.

The only solution to these seemingly intractable problems is to replace a system producing for profit with a system producing for social use. Production and distribution will have to become the common ownership under democratic control of all society if we are to eradicate starvation, hunger and poverty. A global socialist system will have to replace a global capitalist system otherwise these solvable social problems will just persist.

Growing food under capitalism is a business driven by the need to make a profit. What the media will not tell you, when you see images of starving children, is that the problem of feeding the world is not growing the food but the economic system of commodity production and exchange for profit in which we live which prevents direct distribution to those who need it. The private ownership of the means of production and distribution is the barrier preventing food production to take place to meet the needs of all society.

If socialism was faced with a drought in some part of the world, food would just be directly transported to meet the problem. Socialism would not be burdened with funding constraints currently imposed on organisations like of the United Nations and charities, but would move food and resources from elsewhere in the world to enable the shortfall in food to be met efficiently, quickly and directly. Nor would socialism have to worry about prices, markets and profit. **Socialism will produce in abundance and solve the unnecessary problems of poverty, hunger and starvation**

[Back to top](#)

Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

[Back to top](#)

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